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WORLD PRODUCTION
and Trade

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

WR 46-87

Nov. 18, 1987

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

U.S. Corn Exports Expected Up as Competitors' Supplies Tighten. USDA raised the U.S. corn export forecast to 43.2 million metric tons for 1987/88 (Oct/Sept), a 9-percent increase over the previous year. The increase came as a result of competitors' tightening 1987/88 exportable corn supplies which were down from the October estimate by 21 percent from 17.2 million tons to 13.6 million tons. The increase also reflects strong foreign demand in East Europe and Indonesia. The forecast for Argentina's 1987/88 corn exports was reduced by 30 percent this month from 7.0 million tons to 5.0 million tons for 1987/88 (Oct/Sept).

OILSEEDS AND PRODUCTS

PHILIPPINE Coconut Millers Combat Tropical Labeling Campaign. The Philippines' largest coconut oil mills have agreed to support a research and development project which is intended to counter the American Soybean Association's tropical oils labeling campaign. Beginning this month, major coconut oil mills will voluntarily contribute 34 cents per ton (or its equivalent in other coconut products) of exported copra to help fund the effort. Based on FAS' latest copra and product forecasts for calendar 1988, this 34-cents-per-ton contribution could translate to about a half a million dollars next year.

FRUITS

Torrential Rains Hit SPANISH Citrus and Vegetables. Torrential rains in Spain during November 3-5 caused serious floods in Valencia and Murcia which are major vegetable and citrus growing areas, according to the U.S. agricultural counselor in Madrid. These areas account for about half of Spanish orange production. Information is scarce and many communities are still cut off. Roads and irrigation canals have been damaged in both areas. Vegetable crops such as peppers, tomatoes, iceberg lettuce, cabbage and cut flowers have been decimated. Considerable damage is also likely to have occurred to the citrus crop. Water has been reported reaching to the tops of citrus trees. Oranges are the most affected crop followed by tangerines and lemons. Picking will be set back in most areas.

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NORTHERN HEMISPHERE Citrus Crop Slightly Smaller. Citrus production in selected countries of the Northern Hemisphere for the 1987/88 season is forecast at 30.47 million tons, down about 2 percent from last season's harvest of 31.00 million tons. Larger harvests are expected in Mexico, Cuba, Japan, Spain, Egypt and Morocco. Smaller crops are expected in Greece, Italy, Turkey and Cyprus. Production by fruit type, with 1986/87 estimates in parentheses, is as follows in millions of tons: sweet oranges 17.56 (17.86); tangerines 5.88 (5.69); lemons 2.41 (3.00); grapefruit 3.29 (3.21); and other citrus--including sour oranges and limes--1.34 (1.24).

In the United States, 1987/88 citrus production is forecast to be virtually unchanged from 1986/87 at 10.89 million tons. Orange production (including temples) is forecast at 7.27 million tons, up about 2 percent. The Florida orange crop is forecast at 5.31 million tons, up 8.6 percent, while the California crop is expected to total 1.67 million tons, down about 16 percent. The grapefruit crop is projected at 2.41 million tons, up 3 percent, and lemons are projected at 817,000 tons, down 17 percent. The tangerine, tangelo and honey tangerine crop is projected down about 10 percent to 327,000 tons. The Texas citrus crop is projected at 164,200 tons, up 57 percent from 1986/87.

In Mexico, 1987/88 citrus production is forecast up 15 percent to 2.65 million tons. Orange production is forecast at a record 1.72 million tons, up 16 percent from last year. Low Mexican prices have helped expand exports. Production of other citrus, mostly limes, also is forecast at a new record--672,000 tons, 12 percent above last year. In Cuba, better weather is expected to improve orange production by about 10 percent above the 1986/87 level, but grapefruit and other fruit, which have been mostly harvested, will not benefit until next year.

In Japan, 1987/88 citrus production is expected to be 3.29 million tons, 14 percent above last year due to improved weather and an on-year for tangerines. Tangerines, which account for about 90 percent of all citrus produced in Japan, have a 2-year yield cycle. Orange production is projected up slightly to 63,000 tons.

Spain's crop is now estimated at a record 4.03 million tons, up 4 percent from last year. The increase would have been greater but early November floods in the main growing areas cut production prospects significantly. Current forecasts, by type, are: oranges up 14 percent to 2.30 million tons; tangerines up slightly to 1.18 million tons; and lemon production down 19 percent to 522,000 tons. These estimates reflect only absolute losses; further problems are likely as water damaged fruit is salvaged.

Italy's citrus crop was hit hard by a spring freeze early this year with 30 percent of trees reported damaged. Total citrus production for 1987/88 is forecast at 2.60 million tons, down 29 percent from last year. Orange production is projected down 29 percent to 1.60 million tons. Tangerine production is forecast down 40 percent to 331,000 tons and lemons down 22 percent to 630,000 tons.

Greek citrus production for 1987/88 is projected down nearly 50 percent from last year's record crop to 608,000 tons. The drop is due to an early spring freeze which reportedly damaged about 25 percent of citrus trees on the Peloponnesian peninsula. Most of these trees were old and in need of replacement.

In Israel, citrus production is currently forecast unchanged from last year. Morocco's citrus production is forecast to rise 18 percent in 1987/88 to 1.15 million tons because of improved weather. Fruit set was good but sizes may be small and quality below average. Production in Cyprus for 1987/88 is projected to fall about 6 percent to 312,000 tons due to cool wet weather in March and a heat wave in July. Turkey's 1987/88 citrus production is projected to fall to 1.16 million tons from last year's record level of 1.29 million.

Egyptian citrus production was up 8 percent in 1986/87 to 1.5 million tons and 1987/88 output is forecast to increase by 6 percent to 1.6 million. In part the increases seem to be due to reduced government price controls which have allowed growers to benefit from higher market prices and encouraged better grove care. Citrus production is being forced out of the Delta and into the western desert by Egyptian government policies. This will slow production growth for some time.

Total citrus production in selected countries of the Northern Hemisphere is estimated as follows in thousand metric tons:

Country	Revised 1985/86	-----Forecast-----	
		1986/87	1987/88
U.S.	10,026	10,887	10,886
Mexico	2,118	2,305	2,651
Cuba	729	730	760
Japan	3,222	2,884	3,294
Spain	3,510	3,867	4,031
Greece	803	1,127	608
Italy	3,562	3,670	2,600
Cyprus	311	334	312
Turkey	975	1,286	1,160
Israel	1,256	1,430	1,430
Egypt	1,397	1,506	1,594
Morocco	1,218	971	1,148
Total	29,127	30,997	30,474

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BRAZIL'S Orange Crop Smaller. The estimate for Sao Paulo's 1987/88 orange crop was reduced to 230 million (40.8 kilo) boxes from 240 million, according to the U.S. agricultural officer in Sao Paulo. Below normal rain from July to September, wide temperature fluctuations and poor grove care due to low prices last year are the reasons for the reduced estimate. For 1986/87 production was 220 million boxes.

CREDIT NOTES

JAMAICA Signs Two Food Aid Agreements. Jamaica signed a P.L. 480 Title I agreement for \$22.5 million. The agreement provides 114,000 tons of wheat valued at \$15.5 million and 85,000 tons of feed grains valued at \$7.0 million. Section 416 agreements were signed for 8,200 tons of corn valued at \$631,400 and 14,795 tons of soft red winter wheat valued at \$1.5 million.

WEEKLY EXCHANGE RATES DEVELOPMENTS

During the week ending November 13, the dollar finished up against most major currencies in response to the U.S. trade report which showed the U.S. trade gap narrowing to \$14.1 billion in September from \$15.7 billion in August. The dollar, however, remains shaky as traders await a firm agreement between the Administration and the Congress that would significantly reduce the federal budget deficit.

Currencies	Current	----Percent change from----		
	rate 11/12/87	week ago 11/5/87	month ago 10/15/87	year ago 11/86
Argentine Austral	3.5000	.00	33.06	215.08
Australian Dollar	1.4641	-.73	6.62	-5.57
Brazilian Cruzado	58.3200	2.71	9.99	315.97
Canadian Dollar	1.3185	-.45	1.45	-4.84
South African Rand	1.9801	-.14	-4.86	-12.01
Thai Baht	25.5500	-.58	-1.08	-2.48
British Pound	0.5659	.67	-5.94	-19.37
French Franc	5.7080	.59	-5.08	-13.71
West Germany Mark	1.6860	.59	-6.45	-17.07
Japanese Yen	135.6500	.36	-4.70	-16.65
South Korean Won	800.5000	-.31	-.65	-8.05
New Taiwan Dollar	29.7600	-.50	-.56	-18.42

Exchange rates are spot as of 3 p.m. Eastern Time, November 12, 1987.

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EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of Nov. 12, 1987, was as follows in metric tons:

ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS
81. Gulf countries frozen poultry (Bahrain, Kuwait, Oman, Qatar, United Arab Emirates)	Nov. 3, '87	16,000
80. Saudi Arabia frozen poultry	Nov. 3, '87	20,000
79. Hungary barley	Oct. 30, '87	100,000
78. Algeria vegetable oil	Oct. 22, '87	60,000
77. Morocco vegetable oil	Oct. 13, '87	60,000
76. Tunisia vegetable oil	Sept. 24, '87	60,000
75. Singapore frozen poultry	Sept. 24, '87	2,000
74. Near East table eggs (Bahrain, Kuwait, Oman, Qatar, United Arab Emirates, Yemen)	Aug. 27, '87	50 million eggs COMPLETE
73. Saudi Arabia dairy cattle	Aug. 27, '87	2,000 head Sold 775 head
72. Iraq barley	Aug. 10, '87	150,000 Sold 100,000
71. Brazil wheat	July 30, '87	300,000 Sold 66,000
70. Colombia wheat	July 30, '87	300,000 Sold 44,000
69. Israel wheat	May 29, '87	200,000
68. Bangladesh wheat	May 22, '87	100,000 COMPLETE
	July 8, '87	50,000 COMPLETE
	Aug. 12, '87	150,000 Sold 144,500
	Sept. 10, '87	300,000
67. Soviet Union wheat	Apr. 30, '87	4,000,000 COMPLETE
	Oct. 15, '87	65,000 COMPLETE
	Nov. 9, '87	2,400,000
66. Turkey rice	Apr. 3, '87	70,000 Sold 12,000
65. Colombia barley malt	Apr. 3, '87	15,000
64. Iraq table eggs	Feb. 20, '87	189 million eggs Sold 178 million
63. Canary Islands poultry	Feb. 9, '87	5,000 Sold 3,000
62. Nigeria wheat	Jan. 28, '87	500,000
61. China wheat	Jan. 26, '87	1,000,000 COMPLETE
	Aug. 18, '87	1,000,000 COMPLETE
60. Iraq wheat	Jan. 16, '87	800,000 Sold 715,000
	Oct. 26, '87	1,000,000
59. Switzerland barley or sorghum	Jan. 16, '87	250,000 Sold 9,000
58. Poland wheat	Jan. 7, '87	500,000 COMPLETE
	July 2, '87	500,000 Sold 451,000
57. Poland barley or sorghum	Dec. 31, '86	200,000 Sold 167,000
56. Romania wheat	Dec. 23, '86	250,000

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

55. Iraq poultry	Dec. 22, '86	60,000	COMPLETE
	Oct. 2, '87	10,000	
54. Dominican Republic table eggs	Dec. 9, '86	25 million eggs	Sold 11.1 million eggs
53. Zanzibar wheat flour	Dec. 9, '86	20,000	Sold 6,000
52. Tunisia barley	Dec. 1, '86	150,000	
51. Gulf countries (Bahrain, Kuwait, Oman, Qatar, United Arab Emirates) dairy cattle	Oct. 30, '86	1,500 head	COMPLETE
	Aug. 27, '87	1,500 head	
50. West Africa (Benin, Burkina Faso, Cameroon, Cote d'Ivoire, Ghana, Gabon, Liberia, Niger, Togo) wheat	Oct. 30, '86	345,000	Sold 142,700
	June 15, '87	185,000	
49. Dominican Republic poultry	Oct. 29, '86	1,500	COMPLETE
48. Philippines barley malt	Oct. 20, '86	60,000	Sold 25,000
47. Cameroon wheat flour	Oct. 14, '86	20,000	
46. Romania barley	Sept. 24, '86	200,000	Sold 125,000
45. Venezuela barley malt	Sept. 4, '86	100,000	
44. Cyprus barley	Aug. 26, '86	150,000	Sold 118,000
43. Canary Islands wheat	Aug. 8, '86	100,000	
42. Egypt semolina	Aug. 6, '86	30,000	Sold 23,000
	Sept. 29, 1987		Balance withdrawn
41. Soviet Union wheat	Aug. 1, '86	4,000,000	EXPIRED
40. Canary Is. dairy cattle	July 28, '86	3,000 head	Sold 2,985
39. Hong Kong table eggs	July 28, '86	44 million eggs	COMPLETE
38. Senegal wheat	July 17, '86	100,000	COMPLETE
	Sept. 11, '87	110,000	
37. India vegetable oil	July 8, '86	25,000	COMPLETE
36. Jordan barley	June 17, '86	60,000	COMPLETE
	Nov. 12, '86	100,000	
35. Israel barley	June 17, '86	200,000	COMPLETE
	Sept. 14, '87	200,000	Sold 43,324
34. Tunisia dairy cattle	May 29, '86	4,000 head	COMPLETE
33. Algeria dairy cattle	May 29, '86	5,000 head	COMPLETE
32. Sri Lanka wheat	May 16, '86	125,000	COMPLETE
	March 5, '87	95,000	Sold 85,000
	Aug. 20, '87	240,000	

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

31. Saudi Arabia barley	May 7, '86	500,000	COMPLETE
	Aug. 6, '86	250,000	COMPLETE
	Sept. 16, '86	300,000	COMPLETE
	Oct. 8, '86	200,000	COMPLETE
			(201,000)
	Jan. 5, '87	1,250,000	COMPLETE
	May 15, '87	500,000	COMPLETE
	Aug. 4, '87	500,000	COMPLETE
30. Algeria barley	Apr. 17, '86	500,000	Sold 233,000
29. Morocco dairy cattle	Apr. 16, '86	4,000 head	COMPLETE
28. Turkey dairy cattle	Apr. 16, '86	5,000 head	COMPLETE
	June 18, '86	5,000 head	COMPLETE
27. Egypt dairy cattle	Apr. 16, '86	6,000 head	COMPLETE
	Sept. 12, '86	10,000 head	Sold 3,681
	Oct. 19, '87		Withdrawn
26. Yemen poultry feed	Apr. 14, '86	150,000	Sold 111,468
25. Yugoslavia wheat	Apr. 10, '86	200,000	COMPLETE
	June 24, '86	200,000	COMPLETE
	Oct. 7, '86	500,000	Sold 417,050
	Oct. 19, '87	500,000	
24. Indonesia dairy cattle	Apr. 9, '86	7,500 head	COMPLETE
	June 18, '87	8,000 head	COMPLETE
	Oct. 5, '87	8,000 head	
23. Syria wheat	Apr. 8, '86	700,000	CANCELED
22. Benin wheat (remaining 15,000 tons transferred to West Africa)	Apr. 7, '86	45,000	COMPLETE
21. Algeria table eggs	Apr. 4, '86	500 million	eggs
	Sept. 29, '87		Withdrawn
20. Iraq dairy cattle	Apr. 4, '86	6,500 head	Sold 6,028
19. Jordan wheat	Mar. 19, '86	75,000	COMPLETE
	June 20, '86	75,000	COMPLETE
	Dec. 31, '86	225,000	COMPLETE
18. Tunisia wheat	Mar. 18, '86	300,000	COMPLETE
	Aug. 22, '86	800,000	Sold 300,000
17. Algeria wheat flour	Feb. 25, '86	100,000	
	Sept. 29, '87		Withdrawn
16. Algeria semolina	Feb. 11, '86	250,000	Sold 30,000
	Oct. 9, '87	Allocation reduced	COMPLETE
	Oct. 9, '87	50,000	
15. Philippines wheat	Jan. 7, '86	150,000	COMPLETE
			(152,400)
	Aug. 10, '87	500,000	Sold 425,000
14. Zaire wheat	Dec. 27, '85	35,000	COMPLETE
	May 15, '86	45,000	COMPLETE
	Oct. 10, '86	40,000	COMPLETE
	July 16, '87	80,000	Sold 57,000
13. Nigeria barley malt	Dec. 10, '85	100,000	Sold 91,464

EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

12. Iraq wheat flour	Dec. 9, '85	150,000	COMPLETE
	Jan. 7, '87	175,000	Sold 75,000
11. Egypt poultry	Nov. 26, '85	8,000	COMPLETE
	Mar. 21, '86	15,000	COMPLETE
	June 18, '86	5,000	COMPLETE
	July 8, '86	15,000	COMPLETE
	Dec. 19, '86	25,000	COMPLETE
	Feb. 27, '87	6,000	COMPLETE
10. Zaire wheat flour	Nov. 18, '85	64,000	COMPLETE
	May 15, '86	30,000	COMPLETE
9. Philippines wheat flour	Nov. 15, '85	100,000	Sold 50,000
	Sept. 29, '87		Balance withdrawn
8. Jordan rice	Nov. 8, '85	40,000	Sold 38,700
	Jan. 13, '87	60,000	
7. Turkey wheat	Oct. 16, '85	500,000	COMPLETE (506,600)
	May 8, '86	500,000	Sold 248,000
6. Morocco wheat	Sept. 30, '85	1,500,000	COMPLETE
	Dec. 9, '86	790,000	COMPLETE
	July 1, '87	500,000	Sold 310,000
5. Yemen wheat	Sept. 6, '85	100,000	COMPLETE
	Jan. 26, '87	100,000	COMPLETE
	Oct. 22, '87	100,000	
4. Yemen wheat flour	Aug. 20, '85	50,000	COMPLETE
	Apr. 14, '86	100,000	COMPLETE
	May 18, '87	100,000	Sold 50,000
	Oct. 22, '87	100,000	
3. Egypt wheat	July 26, '85	500,000	COMPLETE
	Oct. 30, '85	500,000	COMPLETE (512,500)
	June 24, '86	500,000	COMPLETE
	July 29, '86	52,000	COMPLETE
	Oct. 8, '86	1,000,000	COMPLETE
	July 8, '87	500,000	Sold 497,000
2. Egypt wheat flour	July 2, '85	600,000	COMPLETE
	Aug. 6, '86	600,000	Sold 356,000
1. Algeria wheat (ex durum)	June 4, '85	1,000,000	COMPLETE
wheat (ex durum)	Apr. 10, '86	1,000,000	Sold 916,000
durum	Nov. 10, '86	300,000	COMPLETE
durum	Mar. 16, '87	300,000	COMPLETE
durum	July 24, '87	300,000	COMPLETE
durum	Oct. 29, '87	300,000	Sold 34,000

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EXPORT ENHANCEMENT PROGRAM SUMMARY
Announced as of Nov. 12, 1987

Announced to Date 38,219,690 tons grains and products (grain equivalent)
 308 million table eggs
 188,500 tons frozen poultry
 70,681 head dairy cattle
 205,000 tons vegetable oil

Sold to Date 20,630,259 tons wheat
 2,101,466 tons flour (grain equivalent)
 4,450,324 tons barley
 72,610 tons semolina (grain equivalent)
 155,281 tons barley malt (grain equivalent)
 106,000 tons sorghum
 50,700 tons rice
 111,468 tons poultry feed
 25,000 tons vegetable oil
 138,499 tons frozen poultry
 59,479 head dairy cattle
 282,950,820 table eggs

Total Sales Value: \$2,614.4 million
Estimated Bonus Book Value: \$1,806.5 million
Market Value of Awards: \$1,261.5 million

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Selected International Prices

Item	:	November 17, 1987	:	Change from	:	A year
	:		:	a week ago	:	ago
<hr/>						
ROTTERDAM PRICES 1/		\$ per MT		\$ per bu.		\$ per MT
Wheat:						
Canadian No. 1 CWS-13.5%.		150.50		4.10		+3.50 N.Q.
U.S. No. 2 DNS/NS: 14%....		141.00		3.84		+3.00 138.00
U.S. No. 2 S.R.W.		137.00		3.73		+4.00 N.Q.
No. 3 H.A.D.....		151.00		4.11		-1.00 143.00
Canadian No. 1 A: Durum10/		161.00		4.38		-1.00 155.00
Feed grains:						
U.S. No. 3 Yellow Corn....		99.50		2.53		+3.00 85.00
Soybeans and Meal:						
U.S. No. 2 Yellow.....		228.50		6.22		+6.00 201.80
Brazil 47/48% Soya Pellets		254.00		--		+9.00 201.00
U.S. 44% Soybean Meal.....		243.00		--		+11.00 182.00
U.S. FARM PRICES 3/						
Wheat		91.85		2.50		+0.73 85.24
Barley.....		60.63		1.32		+0.46 59.25
Corn.....		65.35		1.66		+1.18 55.51
Sorghum.....		57.54		2.61 2/		+0.88 55.78
Broilers.....		1,016.32		--		+22.27 1,276.46
EC IMPORT LEVIES						
Wheat 5/.....		230.42		6.27		-6.53 187.81
Barley.....		221.03		4.81		-6.54 179.79
Corn.....		201.88		5.13		-9.91 170.77
Sorghum.....		211.72		5.38		-6.26 171.50
Broilers 4/ 6/ 8/.....		--		--		-- --
EC INTERVENTION PRICES 7/ 9/						
Common wheat(feed quality)		207.66		5.65		-7.19 188.44
Bread wheat (min. quality)		218.46		5.95		-7.57 197.69
Maize.....		218.46		5.55		-7.57 197.69
Barley and all other feed grains, excluding maize.		207.66		--		-7.19 188.44
Broilers 4/ 6/.....		--		--		-- --
EC EXPORT RESTITUTIONS (subsidies)						
Wheat		N.A.		--		-- N.A.
Barley.....		N.A.		--		-- N.A.
Broilers 4/ 6/ 8/.....		--		--		-- --

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ November shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis December delivery.

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